

Assembly Bill No. 1624

CHAPTER 28

An act to add Section 17155 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor April 8, 1996. Filed with
Secretary of State April 8, 1996.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1624, Kuehl. Income taxes: exclusions: German property claims.

The Personal Income Tax Law allows various exclusions in computing the income that is subject to the taxes imposed by that law.

This bill would enact the Holocaust Victim Compensation Relief Act to authorize an exclusion under that law for any amount received as compensation in any taxable year by a taxpayer pursuant to the German Act Regulating Unresolved Property Claims, as specified.

This bill would make a specified legislative declaration regarding the statewide public purpose of this bill.

This bill would take effect immediately as a tax levy.

The people of the State of California do enact as follows:

SECTION 1. This act shall be known, and may be cited, as the Holocaust Victim Compensation Relief Act.

SEC. 2. Section 17155 is added to the Revenue and Taxation Code, to read:

17155. (a) Gross income shall not include any amount, including any interest or property, that is received as compensation in any taxable year by a taxpayer pursuant to the German Act Regulating Unresolved Property Claims, as amended (Gesetz zur Regelung offener Vermögensfragen).

(b) The basis of any property received pursuant to the German Act Regulating Unresolved Property Claims shall be the fair market value of the property at the time of receipt by the taxpayer.

SEC. 3. (a) The changes made by this act shall apply to any taxable year in which any amount is received pursuant to the German Act Regulating Unresolved Property Claims (Gesetz zur Regelung offener Vermögensfragen).

(b) The Legislature finds and declares that this act serves a statewide public purpose as the Legislature did not intend, and does not intend, to tax amounts received as compensation pursuant to the

German Act Regulating Unresolved Property Claims (Gesetz zur Regelung offener Vermögensfragen) because both of the following:

(1) Any amount received represents compensation for property located in the former East Germany that the National Socialist Regime confiscated or subjected to forced sale prior to or during World War II.

(2) Pursuant to the United States-Federal Republic of Germany Income Tax Convention, August 29, 1989, S. Treaty Doc. No. 10, 101st Cong. Sess. (1990), the amount received is exempt from federal taxation. That treaty, however, is not applicable to any state taxation.

SEC. 4. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect.

